

## Message Text

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ORIGIN OPIC-06

INFO OCT-01 NEA-09 ISO-00 EB-07 AID-05 OMB-01 COME-00

TRSE-00 CIAE-00 INR-07 NSAE-00 /036 R

66610

DRAFTED BY: OPIC/GC:LLUCERO

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NEA/INS:RBMORLEY

EB/IFD/OIA:DHSTEBBING

OPIC/GC:SFRANKLIN

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R 282152Z MAR 75

FM SECSTATE WASHDC

TO AMEMBASSY NEW DELHI

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E.O. 11652: N/A

TAGS: EFIN

SUBJ: OPIC CONTRACT OF GUARANTY NO. 1396 - MCNALLY PITTSBURG  
MANUFACTURING CORP. (MCNALLY)

1. BY LETTER OF MARCH 13, 1975, MCNALLY APPLIED TO  
OPIC FOR TRANSFER INTO U.S. DOLLARS PURSUANT TO SUBJECT  
CONTRACT OF DIVIDEND DECLARED IN MARCH 1974 BY MCNALLY  
BHARAT ENGINEERING COMPANY, LTD., IN THE AMOUNT OF  
RS. 497,011. MCNALLY STATES THAT A FORMAL APPLICATION  
FOR TRANSFER OF SAID RUPEES INTO U.S. DOLLARS WAS FILED  
WITH THE RESERVE BANK OF INDIA IN APRIL 1974. RESERVE  
BANK HAS NOT TAKEN ANY ACTION WITH RESPECT TO  
MCNALLY'S APPLICATION FOR TRANSFER TO DATE.

2. OPIC HAS HAD FEW INCONVERTIBILITY CLAIMS ON THE  
LARGE NUMBER OF INSURANCE CONTRACTS IN INDIA.

3. OPIC REQUESTS EMBASSY COMMENTS RE POSSIBILITY THAT  
MCNALLY CLAIM IS BASED ON SPECIAL FACTS ARISING FROM  
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LONG STANDING GOI/MCNALLY DIFFICULTIES RATHER THAN AS

A RESULT OF OVERALL FOREIGN EXCHANGE PROBLEMS IN INDIA.

4. OPIC REQUESTS EMBASSY ADVICE AS TO WHETHER MCNALLY OR ANY OTHER U.S. INVESTORS HAVE DISCUSSED INCONVERTIBILITY OR OTHER SIMILAR PROBLEMS RECENTLY WITH THE EMBASSY.

5. IN TYPICAL INCONVERTIBILITY CLAIM, OPIC REQUIRES THE TRANSFER TO OPIC OF THE LOCAL CURRENCY WHICH THE INVESTOR IS UNABLE TO CONVERT PRIOR TO THE PAYMENT OF COMPENSATION. SINCE INDIA IS AN EXCESS CURRENCY COUNTRY, HOWEVER, OPIC MIGHT NOT REALIZE U.S. DOLLARS ON SUCH LOCAL CURRENCY FROM SALES TO THE U.S. TREASURY FOR A CONSIDERABLE PERIOD OF TIME. THEREFORE, OPIC IS CONSIDERING TAKING AN ASSIGNMENT OF MCNALLY'S RIGHTS TO RECEIVE PAYMENT OF THE DIVIDEND, AND TO OBTAIN FOREIGN EXCHANGE (U.S. DOLLARS) FROM THE GOI IN ORDER TO REMIT SUCH DIVIDEND FROM INDIA. OPIC WOULD THEN HAVE A CLAIM DIRECTLY AGAINST THE GOI SINCE THE ASSIGNMENT OF SUCH RIGHTS TO OPIC IS SPECIFICALLY RECOGNIZED UNDER THE GOI/USG INVESTMENT GUARANTY BILATERAL WHICH ENTERED INTO FORCE SEPTEMBER 19, 1957.

6. OPIC REQUESTS EMBASSY'S COMMENTS AND ADVICE RE PARA. 5 ABOVE.

7. OPIC REQUESTS EMBASSY CONFIRMATION OF OFFICIAL RATE OF EXCHANGE ON (A) JANUARY 17, 1975 AND (B) FEBRUARY 22, 1975. KISSINGER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INSURANCE, INVESTMENT GUARANTEES, BUSINESS FIRMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 28 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** CunninFX  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975STATE071022  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** OPIC/GC:LLUCERO  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** CunninFX  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 04 AUG 2003  
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**Status:** NATIVE  
**Subject:** OPIC CONTRACT OF GUARANTY NO. 1396 - MCNALLY PITTSBURG MANUFACTURING CORP. (MCNALLY)  
**TAGS:** EFIN, OPIC  
**To:** NEW DELHI  
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